

ASE General Index Closing Prices


Source: Refinitiv

GREECE | The Greek market rebounded strongly, driven by banking sector gains and credit upgrades
MARKET COMMENT & DRIVING EVENTS

The Greek market concluded the week on a positive note, with significant developments in financial indices and economic trends shaping investor sentiment. The **General Index** closed with a modest gain of **0.05% at 1,456.52 points**, after fluctuating between a low of 1,452.18 points (-0.25%) and a high of 1,460.74 points (+0.34%). The **General Index**, the index exhibited a strong increase of **4.52% at 1,456.52 points**, showcasing renewed investor confidence. Similarly, the **FTSE 25 index** surged by **5.81%**, reflecting robust performance in high-capitalization stocks. The **banking index** led the charge, recording a notable weekly gain of **11.45%** and closing at **1,280.83 points**. This sharp rise was supported by optimistic sentiment following **Scope Ratings' upgrade of Greece's credit rating to BBB with a stable outlook**, citing reduced public debt, a more resilient banking system, and stronger growth trends. However, persistent structural weaknesses and elevated public debt remain points of concern.

Prime Minister **Kyriakos Mitsotakis** emphasized during the ATHEX and Morgan Stanley conference in London that there will be **no extraordinary taxation on Greek banks**, alleviating concerns among investors. Instead, the government intends to introduce measures aimed at **lowering banking fees, rationalizing deposit interest rates, and expediting mortgage loan approvals** as well as the sale of bank-held properties. This announcement coincided with the **Bank of Greece Governor** opposing extraordinary taxation due to deferred tax liabilities, further boosting confidence in the sector. Adding to the positive sentiment, **JP Morgan upgraded Greece's status from neutral to overweight**, citing improved GDP growth compared to the Eurozone and healthier bank balance sheets. Despite these positive signals, **IOBE reported a slight dip in economic sentiment**, with the index falling to **106.1 points in November** from 106.9 the previous month. Manufacturing activity also slowed slightly, as indicated by a **decline in the PMI to 50.9** from 51.2, signaling stagnation. However, Bank of Greece announced strong gains in **residential property prices**, which rose **7.8% year-over-year in Q3 2024**, continue to highlight the sector's resilience, with new property prices rising even faster at **9.7% year-over-year**.

Several corporate announcements also shaped the week. **Attica Bank** is preparing for the trading of new shares resulting from warrants, marking the start of **Thrinvest's acquisition of a majority stake**. Meanwhile, **Helleniq Energy** moved forward with the sale of its **35% stake in DEPA Commercial** to the Hellenic Republic Asset Development Fund for **€200 million**, a transaction expected to finalize by year-end. This development, alongside Edison's anticipated counteroffer for **50% of Elpedison**, signals significant activity in the energy sector.

Athens Stock Exchange General Index Movers	Weekly Change
Top Gainers	
Alpha Bank	12.04%
Eurobank Ergasias	12.00%
Piraeus Bank	11.98%
National Bank of Greece	11.91%
Intracom	9.60%
Top Losers	
Thrace Plastic	-4.37%
Piraeus Port	-3.35%
Domiki Kritis	-2.46%
BriQ Properties	-2.36%
Elton S.A.	-1.91%

10Y Greek Bond YTM



Source: Refinitiv

Additionally, **PPC** announced a joint venture with Damac, named "**Data In Scale**," to develop a data center in Spata, Greece, with an initial investment of **€150 million** and a planned capacity of **12.5MW**. Construction is set to commence in Q1 2025.

Looking ahead, the **OECD forecasts steady growth for Greece**, with GDP expected to increase by **2.2% in 2025** and **2.5% in 2026**. Inflation is anticipated to normalize to **2% by late 2026**, though rising service costs may sustain core inflation levels. Public debt is projected to decline to **152.2% of GDP by 2025** and further to **148.1% in 2026**, driven by primary budget surpluses of **2.4% in both years**. However, **Fitch's outlook** suggests that Greek banks may experience moderated profits in 2025 due to lower interest rates, though operating returns are expected to remain robust at **3.5% of risk-weighted assets**. The Greek market experienced a strong rebound this week, led by impressive gains in banking stocks and favorable credit upgrades. Corporate developments, policy announcements, and positive projections for economic growth underline Greece's progress.

EUROPE | European markets rallied on easing political tensions and ECB policy hopes, despite lingering economic and fiscal challenges in the Eurozone

MARKETS&ECONOMY

The European stock markets closed the week with gains across major indices, buoyed by subsiding political concerns in France and growing expectations of policy easing by the European Central Bank (ECB). The **STOXX Europe 600 Index** rose **2.00%**, reflecting improved investor sentiment. Germany's **DAX** gained an impressive **3.86%** to hit a new all time high, closing at **20,384.61 points**, while Italy's **FTSE MIB** climbed **4.00%** to **34,749.50 points**. France's **CAC 40** advanced **2.65%**, ending at **7,426.88 points**, and the UK's **FTSE 100** posted a smaller gain of **0.26%**, finishing at **8,308.61 points**.

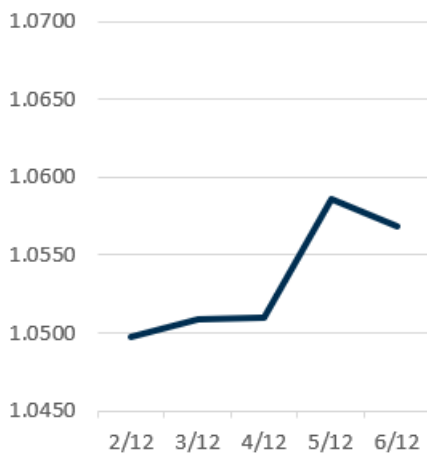
In France, political turmoil culminated in the collapse of Prime Minister Michel Barnier's minority government after a no-confidence vote blocked the 2025 budget proposal aimed at deficit reduction. This led to a widening of the yield spread between German 10-year bunds and French 10-year OATs to **90 basis points (bps)** at its peak, the highest level since 2012, before narrowing to below **80 bps** following President Emmanuel Macron's announcement of plans to appoint a new prime minister and form a "government of national interest." Despite these efforts, concerns linger over France's fiscal health, with its deficit projected to exceed **6% of GDP** this year. Barnier had proposed a plan to reduce the deficit to **3% by 2029**, in line with the EU Stability Pact, but its rejection underscores challenges in implementing sustainable policies. Macroeconomic data highlighted ongoing economic struggles in the Eurozone. Retail trade volumes declined **0.5%** in October, reversing a **0.5%** increase in September. Manufacturing activity continued to contract, with the **Purchasing Managers' Index (PMI)** falling to **45.2** in November, down from **46.0** in October, led by declines in Germany, France, and Italy. Germany's industrial output fell **1.0%** month over month, missing expectations for a rebound, while factory orders dropped **1.5%**, primarily due to weakened demand for machinery and equipment.

STOXX 600 Closing Prices



Source: Refinitiv

EUR/USD



Source: Refinitiv

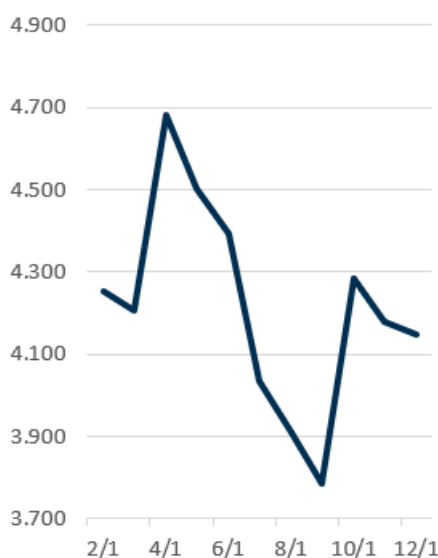
Despite these challenges, the Eurozone unemployment rate remained steady at **6.3%** in October, unchanged from the previous month and down **0.3 percentage points** from the same period last year.

ECB President Christine Lagarde maintained a cautious, data-dependent approach, emphasizing that financial conditions and inflation expectations will guide future policy decisions. Markets anticipate a faster pace of monetary easing, with analysts closely monitoring upcoming data to assess the ECB's next moves.

Corporate developments played a significant role in driving market sentiment. **BMW** shares surged **10.31%** to **€77.24**, following an upgrade to "Buy" by UBS, citing strong free cash flow and compliance with EU CO2 emissions policies. In contrast, **Mercedes-Benz** saw a modest increase of **1.55%**, closing at **€53.78**, after being downgraded to "Neutral." Swedish automaker **Volvo** gained **6.17%**, reporting a **5%** rise in global sales in November, with electrified models accounting for **48%** of total sales, a **40% year-on-year growth** in this segment.

The financial sector saw gains among major French banks, with **BNP Paribas**, **Societe Generale**, and **Credit Agricole** rising **3.41%**, **3.35%**, and **2.4%**, respectively, amid optimism that the political situation would stabilize without further disruptions to the economy.

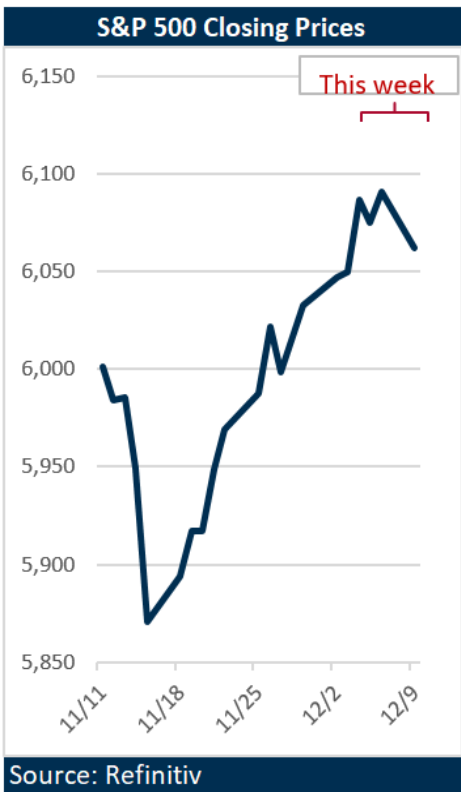
US 10Y Bond YTM



Source: Refinitiv

In broader developments, the European Union made progress on a new **€1.5 billion defense fund** to bolster its industry and Ukraine over the next three years. The **European Defence Investment Program**, expected to be finalized by year-end, allows for up to **35%** of components to be sourced outside the EU, balancing strategic autonomy with practical needs. Additionally, the EU announced a trade deal with the **Mercosur bloc** (Brazil, Argentina, Paraguay, and Uruguay), expected to reduce tariffs, simplify customs procedures, and provide access to a market of over **700 million consumers**, enhancing business opportunities for European companies.

As Europe transitions into December, markets remain optimistic about the potential for economic stabilization and policy support. However, ongoing political uncertainties in France, slowing manufacturing activity, and mixed macroeconomic data underscore the challenges the region faces in sustaining growth. Investors will closely watch developments in monetary policy and geopolitical dynamics in the coming weeks.



US | U.S. markets showed resilience with tech-led gains and strong economic data, but inflation, labor shifts, and geopolitical risks tempered optimism.

MARKETS & ECONOMY

The U.S. stock market experienced a dynamic week, with key indices reflecting mixed performance. The **S&P 500** rose **0.96%**, closing at **6,090.27**, while the **Nasdaq Composite** advanced significantly by **3.34%**, ending at **19,859.77**, buoyed by strong gains in **Tesla**, **Meta Platforms**, and **Amazon**, with both indices touching new all-time highs on Friday. In contrast, the **Dow Jones Industrial Average** declined **0.6%**, finishing the week at **44,642.52**, highlighting a divergence in market momentum. In the fixed-income market, U.S. Treasury yields declined across the curve, contributing to positive returns for bonds. Municipal bonds outperformed Treasuries on a total return basis, while investment-grade corporate bonds saw strong demand, with about half of new issues oversubscribed despite slightly lower-than-expected issuance levels.

Economic data released during the week emphasized the strength of the U.S. economy. Federal Reserve Chair Jay Powell, speaking at the **DealBook Summit**, highlighted the unexpected resilience of the economy, with GDP growth at approximately **2.5%** and inflation easing to **2.3%** from its peak of **7.2%**. Powell noted the persistent challenge of reducing inflation further but acknowledged the labor market's robustness. The **Atlanta Fed's GDPNow** forecast for Q4 growth increased to **3.3%**, surpassing earlier projections, supported by an impressive increase of **227,000 new jobs in November**, well above October's **36,000**. However, the unemployment rate edged up to **4.2%**, with labor force participation declining, reflecting underlying labor market shifts.

Monetary policy expectations remained a focal point. Futures markets estimate a **78% probability** of a **25 basis-point rate cut** at the Federal Reserve's December meeting, although a **64% probability** of stabilization in January suggests a more cautious approach. Powell reinforced this view, stating that the Fed is "not in a hurry" to reduce interest rates, despite optimism about the economy's strength and the new administration's pro-growth policies. The **U.S. Dollar Index (DXY)** strengthened significantly early in the week, driven by President-elect Donald Trump's threats to impose tariffs on BRICS nations over de-dollarization efforts. Concurrently, the euro weakened against the dollar due to concerns over a potential French government collapse. Corporate earnings also shaped market movements. **Super Micro Computer** soared **34.59%** after a special committee confirmed no financial misconduct, reassuring investors about the company's stability. Similarly, **Lululemon Athletica** jumped **24.62%**, reporting a **9% year-over-year revenue increase** and raising its full-year guidance. **Hewlett Packard Enterprise** climbed **11%** on strong fiscal Q4 results, with revenue rising **15%** to **\$8.5 billion**, driven by its Greenlake cloud computing platform, which saw annual recurring revenue grow **48%** to **\$1.9 billion**. The assassination of **UnitedHealthcare CEO Brian Thompson** on December 4, 2024, led to a **9.93%** decline in **UnitedHealth Group's** stock over the week, reflecting investor concerns about potential regulatory scrutiny and public backlash against the company's practices.

Nasdaq Movers	Weekly Change
Top Gainers	
Super Micro Computer	34.59%
Lululemon Athletica	24.62%
Marvell	22.46%
Applivin	19.23%
Tesla	12.77%
Top Losers	
Microchip	-13.03%
Intel	-13.01%
Old Dominion Freight Line	-9.83%
Synopsis	-7.38%
ON Semiconductor	-6.47%

Policy news further influenced the market. The Biden administration tightened technology restrictions on China, limiting advanced chip sales and manufacturing equipment, which sparked a rally in U.S. semiconductor stocks. Meanwhile, **TikTok** faced a significant setback as a Washington court upheld a law threatening to ban the app in January, benefiting competitors like **Meta Platforms** and **Alphabet Inc.**. Additionally, Bitcoin broke past the **\$100,000** threshold for the first time, driven by optimism over the new administration's crypto-friendly stance.

Geopolitical headlines during the first half of the week centered on French political disruptions and South Korean President Yoon Suk Yeol facing impeachment talks after briefly declaring martial law. Despite international turmoil, **U.S. markets** largely focused on domestic economic resilience and corporate performance.

As the markets head into the final month of the year, investor sentiment remains cautiously optimistic. The robust performance of key sectors like technology and significant corporate earnings underscore confidence in the economy, but uncertainties surrounding inflation, labor market dynamics, and geopolitical risks could temper enthusiasm. The **Federal Reserve's December** meeting and upcoming economic data will play a pivotal role in shaping market direction into 2025.

S&P 500 Movers	Weekly Change
Top Gainers	
Super Micro Computer	34.59%
Lululemon Athletica	24.62%
Palantir	13.80%
Hewlett Packard	12.87%
Tesla	12.77%
Top Losers	
Microchip	-13.03%
Intel	-13.01%
UnitedHealth	-9.93%
Old Dominion Freight Line	-9.83%
Halliburton	-9.67%



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